

commenter stated that a 12-month phased implementation may create confusion among customers and competitive pressures for firms to attempt to gain an advantage through early adoption of the new intraday requirements.¹¹⁹ This commenter suggested a single, uniform implementation date of six months after the Commission approves the proposed rule change or a date that would be no earlier than late-2026.¹²⁰

In response to the comments, FINRA highlighted the very strong interest numerous commenters expressed in replacing the current day trading requirements with the new intraday margin requirements and their expectation that implementation will proceed promptly.¹²¹ Balanced with this, FINRA stated it is important to ensure, to the extent possible, that the transition to the new requirements takes place in an orderly and fair fashion.¹²² Having considered the comments, FINRA stated that it believes a limited interval could serve the interest of orderly markets, but should not be so long as to frustrate the general desire for the transition to proceed expeditiously.¹²³

As such, FINRA stated if the Commission approves the proposal, it intends to issue a *Regulatory Notice* announcing an effective date of 45 days from publication of the *Regulatory Notice*, while allowing members that need more time to implement the new requirements to phase-in implementation over a period of 18 months from publication of the *Regulatory Notice*.¹²⁴ With regard to the timeframe for the phase-in period given the additional information gained from the comments on how much time members may need to prepare, FINRA believes extending the phased implementation to 18 months from the date of the *Regulatory Notice* is appropriate.¹²⁵

FINRA's proposed implementation schedule is appropriate and consistent with the requirements of the Exchange Act. An 18-month phased-in implementation timeframe from the date of publication of the *Regulatory Notice* will provide flexibility for broker-dealers to implement the new intraday margin requirements any time after the 45-day effective date. The 45-day effective date following the publication

of the *Regulatory Notice*, during which all member firms must apply the current day trading rules should facilitate a smooth transition to implementation.

IV. Solicitation of Comments on Amendment No. 1

Interested persons are invited to submit written data, views, and arguments concerning whether Amendment No. 1 is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-FINRA-2025-017 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to File Number SR-FINRA-2025-017. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of FINRA. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR-FINRA-2025-017 and should be submitted on or before May 8, 2026.

V. Accelerated Approval of the Proposed Rule Change, as Modified by Amendment No. 1

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 1, prior to the thirtieth day after the date of publication of the notice of the filing of Amendment No. 1 in the **Federal Register**. Amendment No. 1 revised the timing of the phased implementation of the proposed rule change in direct response to comments received, balancing the interest expressed by commenters for implementation to proceed promptly with the need for an orderly and fair transition to the new

requirements. Amendment No. 1 does not alter any substantive provisions of the proposed rule change from what is set forth in the Notice, which was subject to public comment. Further, Amendment No. 1 does not raise any novel regulatory concerns that have not previously been subject to comment.

Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,¹²⁶ to approve the proposed rule change, SR-FINRA-2025-017, as modified by Amendment No. 1, on an accelerated basis.

VI. Conclusion

It is therefore ordered pursuant to Section 19(b)(2) of the Exchange Act¹²⁷ that the proposed rule change (SR-FINRA-2025-017), as modified by Amendment No. 1, be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²⁸

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-07485 Filed 4-16-26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105227; File No. SR-LTSE-2026-08]

Self-Regulatory Organizations: Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend LTSE Fee Schedule To Modify Transaction Fees

April 14, 2026.

Pursuant to Section 19(b)(1) under the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 31, 2026, Long-Term Stock Exchange, Inc. ("LTSE" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

¹²⁶ 15 U.S.C. 78s(b)(2).

¹²⁷ 15 U.S.C. 78s(b)(2).

¹²⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

¹¹⁹ See Schwab Letter.

¹²⁰ See Schwab Letter.

¹²¹ See FINRA Letter.

¹²² See FINRA Letter.

¹²³ See FINRA Letter.

¹²⁴ See Amendment No. 1; FINRA Letter.

¹²⁵ See FINRA Letter; Amendment No. 1.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the LTSE Fee Schedule to modify transaction fees applicable to securities priced below \$1.00. The Exchange proposes to implement the changes to the fee schedule pursuant to this proposal on April 1, 2026.

The text of the proposed rule change is available at the Exchange's website at <https://longtermstockexchange.com/> and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement on the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Schedule of Fees to reduce the transaction fee for removing liquidity in securities priced below \$1.00 via a new program called the Sub-Dollar Incentive Program ("SDIP"). Currently, LTSE charges a fee of 0.20% of TDV for removing both displayed and non-displayed liquidity in securities priced below \$1.00.³ The Exchange now proposes to reduce this fee to 0.00% of TDV.

Through SDIP, the Exchange seeks to incentivize interaction in these lower-priced securities to improve price discovery, remove friction while creating and exiting trading positions, and increase overall execution volume. By eliminating taker fees in these securities, the Exchange will reduce transaction costs for liquidity takers,

encouraging greater order flow and increased interaction with displayed liquidity.

Increased interaction with displayed liquidity is expected to incentivize market participants to compete more aggressively to provide liquidity in these securities. The Exchange believes that this increased competition among liquidity providers will result in tighter bid-ask spreads, increased depth of book, and improved price discovery.

Importantly, the Exchange is not proposing to change its existing liquidity provider rebates in securities priced below \$1.00. By maintaining the incentives available to liquidity providers while eliminating fees for liquidity takers, the Exchange seeks to promote a more balanced and efficient market structure in which both liquidity provision and liquidity interaction are encouraged.

The Exchange believes that this approach strengthens overall market quality by promoting fair and efficient execution. Investors, particularly retail investors and institutional market participants, benefit from more competitive pricing, lower execution costs, and reduced market impact. These benefits are consistent with the Exchange's broader objective of fostering a robust and competitive exchange eco-system.

The Exchange also notes that it operates in a highly competitive environment in which market participants can readily direct order flow to competing venues. The proposed change is designed to enhance the Exchange's competitiveness in lower-priced securities by reducing transaction costs and encouraging increased participation.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Section 6(b)(4) of the Act,⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among all of its Members and issuers and other persons using its facilities; Section 6(b)(5) of the Act,⁶ which requires, among other things, that the rules of the Exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and to protect investors and the public interest and are not designed to permit unfair

discrimination between customers, issuers, brokers or dealers. The Exchange also believes that the proposed rule change is reasonable, fair and equitable, and non-discriminatory.

Section 6(b)(4) requires that exchange fees be reasonable and equitably allocated. The Exchange believes the proposed fee change is reasonable because it reduces transaction costs for liquidity takers in securities priced below \$1.00, thereby encouraging increased order flow and execution activity. By removing taker fees in these securities, the Exchange reduces friction associated with entering and exiting trading positions, which is expected to increase overall volume.

The Exchange further believes that the proposal is an equitable allocation of fees because it applies uniformly to all Members trading securities priced below \$1.00 and does not impose disparate fees among similarly situated participants. In addition, the Exchange believes the proposed fee structure is reasonable because it maintains existing incentives for liquidity providers while eliminating costs for liquidity takers. This balanced approach is designed to enhance overall market quality by encouraging both the provision of liquidity and interaction with that liquidity.

Section 6(b)(5) requires that exchange rules promote just and equitable principles of trade, remove impediments to a free and open market, and protect investors and the public interest. The Exchange believes the proposed rule change removes impediments to and perfects the mechanism of a free and open market by reducing transaction costs in lower-priced securities and encouraging increased interaction with displayed liquidity. By lowering barriers to trading, the proposal is expected to increase participation, improve execution quality, and enhance price discovery.

The Exchange further believes that the proposal promotes just and equitable principles of trade by fostering competition among liquidity providers. As liquidity takers are incentivized to interact more frequently with displayed quotes, liquidity providers are expected to compete more aggressively on price and size, resulting in tighter spreads and increased display depth.

The Exchange believes that these outcomes directly benefit investors by improving execution quality, reducing trading costs, and minimizing market impact. The proposal is not unfairly discriminatory because it applies equally to all Members and market

³ See the Exchange's Schedule of Fees available on its website at: [https://cdn.prod.website-files.com/6462417e8db99f8baa06952c/69a703be63c2891f46cae82a_LTSE%20Fee%20Schedule_February%2C%201%202026%20\(Formatting%20updated%202.2.2026\).docx.pdf](https://cdn.prod.website-files.com/6462417e8db99f8baa06952c/69a703be63c2891f46cae82a_LTSE%20Fee%20Schedule_February%2C%201%202026%20(Formatting%20updated%202.2.2026).docx.pdf).

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(4).

⁶ 15 U.S.C. 78f(b)(5).

participants trading securities priced below \$1.00.

B. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act,⁷ the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange operates in a highly competitive environment in which it must continually adjust its pricing to attract order flow. The proposed reduction in taker fees is designed to enhance the Exchange's competitiveness for trading in lower priced securities.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

This proposed rule change establishes dues, fees or other charges among its members and, as such, may take effect upon filing with the Commission pursuant to Section 19(b)(3)(A)(ii) of the Act⁸ and paragraph (f)(2) of Rule 19b-4 thereunder.⁹ Accordingly, the proposed rule change would take effect upon filing with the Commission.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or

- Send an email to rule-comments@sec.gov. Please include file number SR-LTSE-2026-08 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to file number SR-LTSE-2026-08. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-LTSE-2026-08 and should be submitted on or before May 8, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235-0574]

Agency Information Collection Activities; Proposed Collection; Comment Request; Extension: Rule 3a-8 Under the Investment Company Act of 1940

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (SEC or "Commission") is soliciting comments on the proposed collection of information.

17 CFR 270.3a-8 (rule 3a-8 under the Investment Company Act of 1940 (15 U.S.C. 80a) (the "Act")), serves as a

nonexclusive safe harbor from investment company status for certain research and development companies ("R&D companies"). The rule requires that the board of directors of an R&D company seeking to rely on the safe harbor adopt an appropriate resolution evidencing that the company is primarily engaged in a non-investment business and record that resolution contemporaneously in its minute books or comparable documents. An R&D company seeking to rely on the safe harbor must retain these records only as long as such records must be maintained in accordance with state law. The rule also requires the board of directors of a company that relies on the safe harbor to adopt a written policy with respect to the company's capital preservation investments. We expect that the board of directors will base its decision to adopt the resolution discussed above, in part, on investment guidelines that the company will follow to ensure its investment portfolio is in compliance with the rule's requirements.

The collection of information imposed by rule 3a-8 is voluntary because the rule is an exemptive safe harbor, and therefore, R&D companies may choose whether to rely on it. The purposes of the information collection requirements in rule 3a-8 are to ensure that: (i) the board of directors of an R&D company is involved in determining whether the company should be considered an investment company and subject to regulation under the Act, and (ii) adequate records are available for Commission review, if necessary. Rule 3a-8 would not require the reporting of any information or the filing of any documents with the Commission. Commission staff estimates that there is no annual recordkeeping burden associated with the rule's requirements. Nevertheless, the Commission requests authorization to maintain an inventory of one burden hour for administrative purposes.

Commission staff estimates that approximately 721,792 R&D companies may take advantage of rule 3a-8.¹ Given that the board resolutions and investment guidelines will generally need to be adopted only once (unless relevant circumstances change),² the

¹ See National Science Foundation, National Center for Science and Engineering Statistics, Business Enterprise Research and Development, 2023 Data Tables, Table 10, available at: <https://nces.nsf.gov/surveys/business-enterprise-research-development/2023#data>.

² In the event of changed circumstances, the Commission believes that the board resolution and investment guidelines will be amended and

⁷ 15 U.S.C. 78f(b)(8).

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ 17 CFR 240.19b-4(f)(2).

¹⁰ 17 CFR 200.30-3(a)(12).